GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2005
ANSWERED ON:11.08.2011
INCREASE IN PRICE OF DRILLING OIL WELLS
Rathwa Shri Ramsinhbhai Patalbhai

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether with the daily increase of rates of rigs the price of drilling oil wells is also increasing in India;

(b) if so, the details thereof;

(c) whether some of the major elements in Andhra's offshore gas fields such as subsea control systems, deepwater pipelines, onshore terminals and site grading etc. have seen substantial increase.

(d) if so, the complete details thereof and whether Government would increase the price of exploration contracts signed with Cairn India, Oil and Natural Gas Corporation and Reliance India Limited; and

(e) if not, the reasons thereof?

Answer

Minister of State in the Ministry of PETROLEUM AND NATURAL GAS (SHRI R.P.N. SINGH)

(a) & (b) The day rates of rigs depend on various factors such as demand and availability of rigs, contract periods, type of rigs, water depth, drilling locations etc. Of late, the drilling rig market in India and also internationally, is stable after the global economic meltdown.

(c) & (d) The Field Development Plan (FDP) of D1 and D3 gas field in the deepwater block KG-DWN-98/3 in Krishna-Godavari basin, operated by the Consortium of Reliance Industries Limited-NIKO Resources Ltd., was approved by the Management Committee. Various Production Facilities such as subsea control systems, deepwater pipelines, onshore terminal etc. were proposed by the Contractor in the FDP for production, evacuation and processing of gas with a maximum rate of 80 MMSCMD, which were parts of approved FDP. For other contracts, the FDP proposal of the contractor are examined/reviewed by the Management Committtee.

(e) Does not arise.